

May 14, 2003

Marcy McGinnis
Senior Vice President, News Coverage
CBS News
524 West 57th Street
New York, NY 10019-2902

Dear Ms. McGinnis:

Your news report of May 7, 2003, on my office was factually inaccurate, misleads your viewers, and perpetuates erroneous misinformation about the Office of the Inspector General (OIG) and my management style. The story appeared to be based upon other recent media coverage. That coverage also was not fairly presented, and was biased and clearly designed to ridicule all of the OIG employees. I stand by the performance of my agency, which has identified more than \$2.2 billion in savings and cost avoidances to the U.S. Postal Service and ratepayers over the past six years.

At the outset, it may be useful for you to have some background about our office. We were created by Congress in 1996. I was the first and only employee. We were given no staff, no space, and no support systems. In fact, the Postal Service never wanted us, and fought for years against having an independent watchdog. Over the last six years, we have struggled to build an agency that has strength, integrity, and its own independent identity so we would not be shoved off into a corner and become another bureaucratic irrelevancy. We needed to do a whole lot with very little time and support, and I think the true record – not the lies and half-truths by our detractors – will bear me out.

- Spending on corporate training was appropriate

We have had recognition conferences annually during my six-year tenure, which have always emphasized technical training, speakers from Congress and the Postal Service, and employee recognition, as well as teambuilding exercises.

While the teambuilding programs and exercises used by the Postal Service OIG are not always typical among other federal OIGs, many Fortune 500 companies across all industries and the U.S. Postal Service use teambuilding programs and exercises as a way to increase productivity. Contrary to your claims, these

exercises during the conferences have cost \$73,000. Further, in FY 2001, the teambuilding activities comprised three hours out of the 24 hours of conference/training time.

The annual conferences are a cost-effective means of providing training to OIG employees. For example, OIG auditors and evaluators are required by the Inspector General Act and Government Auditing Standards to earn 80 continuing professional education credits over a two-year period; OIG has extended this requirement to all OIG employees. The training cost for all six annual conferences ranged from \$500 to \$900 per employee. Most similar courses cost \$1,500 or more.

OIG does not take corporate retreats nor does it spend “millions” on these events. Even when senior OIG managers have met to review and refine the strategic direction of the agency and to discuss critical and emerging issues, the meetings are infrequent, held locally, and last only one to two days in a setting with less interruptions than the office. These meetings are essential to the successful management and operation of the agency and are used by private and public organizations including the Postal Service.

- The OIG has identified over \$2.2 billion in monetary benefits

Since our inception, we have identified over \$2.2 billion in monetary benefits for the Postal Service. Contrary to your statement that in FY 2001 we spent \$117 million, we actually spent only \$82 million. As reported in our Semiannual Reports to Congress, in that fiscal year, we identified over \$275 million in monetary benefits. The \$56.2 million you identified is only for one of the monetary categories we report, funds put to better use, and represents a small portion of the total benefits we reported. In fact, for every dollar we spent in FY 2001, we identified \$3.35 for the Postal Service. This is an excellent return on investment.

The budget of the OIG is an important investment of the American ratepayers' funds but it represents only a tiny fraction of the total \$70 billion annual operating expense of the U.S. Postal Service.

- Employees voluntarily participated in small team activities

While attendance at these conferences was required, participation in many of the activities that you showed (e.g. employees from our Computer Assisted Assessment Techniques (CAATS) who put on "cat" masks) was voluntary. Various groups took the initiative to create these simple presentations as a source of pride in their team and to promote their services within the OIG. Teamwork and creativity are two of our five core values and aids in the OIG's productivity. Many other federal agencies have similar criteria but call “teamwork” by other terms such as “working relations” or “interpersonal skills”.

- The OIG values help us establish a productive corporate culture

Deal and Kennedy in the book “Corporate Cultures” state:

“The strong culture companies that we investigated all had a rich and complex system of values that was shared by the employees. Managers in these companies talked about these beliefs openly and without embarrassment, and they didn’t tolerate deviance from the company standard.”

This is the type of productive corporate culture that we have tried to develop in the OIG.

Other law enforcement agencies have core values like ours. For example, the Royal Canadian Mounted Police has eight core competencies: leadership, planning and organizing, personal effectiveness and flexibility, continuous learning, communication, interpersonal skills, thinking skills, and client-centered service. These core competencies are very similar to our values. Likewise, the American Institute of Certified Public Accountants has developed, among others, personal competencies that include: problem solving/decision making, interaction, leadership, personal demeanor, communication, and project management. Again, these competencies are similar to the core values that were adapted for this organization by its initial employees.

Like nearly all successful corporations and government agencies, we have an established and clearly articulated vision and organizational values that are key to our productivity – and the value we add to the Postal Service. Our emphasis on vision and values is made clear to prospective and current employees so they know what is expected of them by management and their co-workers. We expect our employees to work hard and produce good products in a manner reflecting our vision and values. Some people, who may be providing you with misleading and inaccurate information, have departed the OIG because they were not productive, not interested in our culture, or both.

- Team awards include an on-line test for one of its ten performance measures

Annually, OIG establishes a performance plan with as many as ten performance measures to determine how well the agency meets its goals. One measure deals with the core values of the organization. For that particular measure, employees are asked to take an online test to demonstrate that they understand the five core values and can translate them into work performance.

Payouts are made at the end of the year using a sliding scale based upon successful completion of each of the ten measures. The extent of completion of

each measure is independently validated by the U.S. Treasury Department and all OIG employees share equally in the payouts, regardless of their position, except for the Inspector General, who is ineligible to receive the payout. In 2002, the office had an 84 percent success rate that translated into the \$1,738 payment per employee. This system was presented and approved by the Postal Governors, who had their own independent consultant review and validate it.

- A treadmill was purchased but returned without being used.

Because of the incredibly long work hours and the need for employees to stay healthy, the OIG purchased a treadmill in August 2002 but returned it one month later, before being used, after learning that it cost much more than expected and because of management's concerns about public perception and employee safety. The treadmill was returned well before getting any complaints about the purchase. OIG received a full refund less \$940 to return and restock the machine.

In conclusion, it is clear that your reporting on this story was not fair or balanced. By using videotapes that were deliberately edited to be misleading, CBS News exaggerated the teambuilding exercises, unfairly embarrassed our employees, and presented the OIG and its accomplishments out of context to sensationalize the story. This type of reporting only serves to perpetuate the negative stereotype of government employees and will continue to have a chilling effect on any government agencies that try to adopt private sector approaches and modern management practices.

I challenge you to have the courage to display and report this letter prominently in a future story.

Sincerely,



Karla W. Corcoran